

# TENNESSEE REGULATORY AUTHORITY



Pat Miller, Chairman  
Deborah Taylor Tate, Director  
Sara Kyle, Director  
Ron Jones, Director

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2004 JUL 29 AM 9:42

460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

T.R.A. DOCKET ROOM

## MEMORANDUM

TO: Director Deborah Taylor Tate  
Director Sara Kyle  
Director Ron Jones

FROM: Eddie Roberson, Chief, Consumer Services and External Affairs Division  
Jean Stone, Counsel  
Aaron Rochelle, Counsel  
Charles Pemberton, Investigator

DATE: July 29, 2004

SUBJECT: Settlement with Go Solo Technologies, Inc. (Docket No. 04-00227)

Attached is a Settlement Agreement between the Consumer Services and External Affairs Division ("Staff") and Go Solo Technologies, Inc. (hereafter referred to as "Go Solo") for violations of Tenn. Code Ann. §65-4-201 and Tenn. Comp. R. & Regs. 1220-4-2-.57(2).

The TRA received a UD16 Statement of Gross earnings and Computation of Inspection Fee from Go Solo with a check in payment of inspection fee. The UD16 Statement indicates Tennessee revenues. In the course of investigating TRA records, Staff discovered that Go Solo had been providing telecommunications services in the State without proper authority for over 365 days. Staff informed Go Solo of its failure to obtain a certificate of public convenience and necessity. Go Solo immediately expressed an interest to obtain the necessary certification with the Authority in order to settle its past violations. No consumer complaints have been received against Go Solo.

This Settlement requires Go Solo to make a one-time payment of \$5,000 to the Authority within 30 days from the date the Authority approves the Settlement, along with assurances that it will fully comply with applicable state law. A representative for Go Solo will be available telephonically for the August 9, 2004 Conference to answer any questions you may have.

We have been informed by the Telecommunications Division that Go Solo's reseller application is complete and will be on the August 9<sup>th</sup> Conference agenda for the Authority's deliberation. Considering all relevant facts, the Staff believes the terms of this Settlement are fair and reasonable. Staff submits the attached Settlement Agreement for your deliberation at the August 9, 2004 Authority Conference.

cc Pat Miller, Chairman  
Richard Collier, General Counsel  
Ben Stolz, General Counsel, Go Solo

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TENNESSEE**

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2004 JUL 28 AM 9:53

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**IN RE:**

**ALLEGED VIOLATION OF TENN. CODE ANN. § 65-4-201  
AND TENN. COMP. R. & REGS. 1220-4-2-.57(2) BY GO SOLO  
TECHNOLOGIES, INC.**

**DOCKET NO.  
04-00227**

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**SETTLEMENT AGREEMENT**

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This Settlement Agreement, which has been voluntarily entered into between the Consumer Services Division ("CSD") of the Tennessee Regulatory Authority ("TRA" or "Authority") and Go Solo Technologies, Inc. ("Go Solo" or the "Company"), resolves all issues and causes of action by the TRA presented by Go Solo's noncompliance with Tenn. Code Ann § 65-4-201 and Tenn. Comp R. & Regs. 1220-4-2-.57(2) (operating without a certificate of public convenience and necessity or "CCN") through the date of the execution of this Settlement Agreement. This Settlement Agreement is subject to the approval of the Directors of the TRA.

The CSD received a notice from the TRA's Fiscal Officer advising that the TRA had received a UD16 Statement of Gross Earnings and Computation of Inspection Fee from Go Solo with a check in payment of the inspection fee. The UD16 Statement indicates Tennessee revenues. Upon investigation of the TRA records, it appears that Go Solo may have been operating in Tennessee without a CCN in violation of Tenn. Code Ann § 65-4-201 and TRA Rule 1220-4-2-.57(2). Thereafter, Staff promptly contacted Go Solo to request proof to the TRA that the Company has authority to operate in Tennessee.

On March 29, 2004, CSD Staff spoke to Mr. Ben Stolz, General Counsel for Go Solo, regarding the status of the Company's CCN. From the information provided, CSD Staff learned that

Go Solo had hired an outside Regulatory Firm to submit an application to the TRA, but as of March 29, 2004 the application had not been submitted to the TRA. Based upon the belief that it had obtained certification, Go Solo had in good faith attempted to pay the required inspection fee mentioned above. Go Solo was instructed by Staff to initiate immediate action to submit an application for a CCN. On April 23, 2004, the TRA received an Irrevocable Line of Credit for Go Solo. On May 17, 2004 the TRA Telecommunication Division received a completed Application for the Company's CCN.

Tenn. Code Ann. § 65-4-120 permits the TRA to impose a penalty or fine in the amount of fifty dollars (\$50) per day upon any public utility in violation of any rule or requirement of the TRA. During a telephone call with Mr. Stolz on July 22, 2004, Go Solo acknowledged that it had provided unauthorized telecommunications services in the state of Tennessee since January 1, 2003 and was eager to come into full compliance. Go Solo admitted it presently is servicing 266 customers in Tennessee. The TRA has received no complaints against Go Solo.

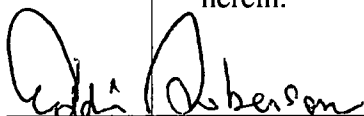
In negotiating this Settlement Agreement, CSD Staff relied upon the factors provided in Tenn Code Ann. § 65-4-116(b), including the Company's size, financial status, good faith, the gravity of the violations and the fact that no complaints have been received against the company.

In an effort to resolve all alleged violations noted in this Settlement Agreement, the CSD and Go Solo agree to settle this matter based upon the following acknowledgements and terms, subject to approval by the Directors of the TRA:

1. Go Solo agrees to pay to the TRA the sum of \$5,000 (the "Settlement Payment"). Go Solo will make a one-time payment of \$5,000 to the Office of the Chairman of the TRA within 30 days following the date the panel of Directors assigned to this Docket approves this Settlement Agreement.
2. Upon TRA approval of Go Solo petition for a CCN in TRA Docket No 04-00227, Go Solo agrees, henceforth, to remain in compliance with all the statutory and regulatory requirements of the TRA.
3. In the event that Go Solo merges or consolidates with or transfers its assets to another firm, corporation or entity, Go Solo or its successor shall remain responsible for fully

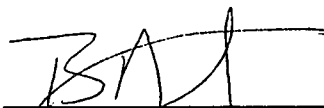
complying with the terms and conditions of the Settlement Agreement. Go Solo shall so notify the CSD no later than ten (10) days prior to the completion of such transaction.

4. Go Solo agrees that a company representative will attend the Authority Conference during which the Directors consider this Settlement Agreement. Such attendance may be by telephone.
5. Compliance with all terms and conditions of this Settlement Agreement by Go Solo shall be deemed a full settlement, release, accord and satisfaction of all liability for the aforementioned violations and Go Solo shall be excused from further proceedings in this matter.
6. In the event that Go Solo fails to comply with the terms and conditions of this Settlement Agreement, the TRA reserves the right to re-open this Docket. Go Solo shall pay any and all costs incurred by the TRA to enforce the Settlement Agreement
7. This Settlement Agreement represents the entire agreement between the parties, and there are no representations, agreements, arrangements or understandings, oral or written, between the parties relating to the subject matter of this Settlement Agreement which are not fully expressed herein or attached hereto.
8. If any clause, provision or section of this Settlement Agreement shall, for any reason, be held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect any other clause, provision or section of this Settlement Agreement and this Settlement Agreement shall be construed and enforced as if such illegal, invalid or unenforceable clause, section or other provision had not been contained herein.



Eddie Roberson  
Chief, Consumer Services Division  
Tennessee Regulatory Authority

7/28/04  
Date



Signature

Benjamin A. Stolz  
Print Name

Secretary  
Print Title

7/27/04  
Date